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C O N F I D E N T I A L GUATEMALA 001573

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SUBJECT: DEFECTION OF UNE DEPUTIES A MINOR CHALLENGE FOR

COLOM

REF: A. GUATEMALA 0150 ¶B. GUATEMALA 1163

Classified By: Pol/Econ Counselor Drew Blakeney for reasons 1.4 (b,d).

- 11. (C) Summary. The December 4 departure from the governing UNE's congressional bench of influential congressman Manuel Baldizon and nine other deputies presents a new political challenge for President Colom. However, with the continuing support of the GANA and FRG benches, Colom should be able to garner the votes to pass legislation in the coming months. End Summary.
- 12. (C) On December 4, ten congressional deputies of the governing UNE party left their congressional bench (though not the party). The group is taking the name of "the Liberty Bench," and is led by the influential chairman of the congressional Finance Committee, Manuel Baldizon. Baldizon, a wealthy 38 year-old lawyer from Guatemala's northern Peten Department, rose to prominence via a patronage approach to politics funded by his family's beer fortune. Though he is a self-described center-leftist, there is little substance to his politics. Many observers believe that Baldizon bought the support of the other nine defecting UNE deputies. Thanks to Baldizon's firm legislative support for the interests of media magnate Angel Gonzalez, he has continued to receive sympathetic media coverage.
- 13. (C) Baldizon announced his presidential aspirations several years ago. He laid down a challenge to President Colom on the eve of Colom's January 2008 inauguration by publicly saying that Colom would have to negotiate with him if he wanted support for his legislative priorities. In announcing their departure from the UNE bench, Baldizon and his supporters denounced a "lack of internal democracy" within the UNE. (Nte: On December 3, the UNE leadership had replaed bench leader Mario Taracena -- who is not in Baldizon's camp -- with Nery Samayoa. UNE deputies reportedly were not consulted. End Note.) Baldizon has made no secret of his enmity for First Lady Sandra de Colom, telling Embassy officers on several occasions that he resents her imposition of policy priorities on the UNE congressional bench. As early as February 2008, he told Ambassador Derham of his plans to break apart the UNE bench (ref a). Periodico" columnist Sylvia Gereda told Pol/Econ Counselor that Baldizon had come by her office to show her two boxes of documents which, he alleged, implicated Sandra de Colom in corruption. Baldizon had said he would begin sharing the documents with Gereda after the start of the New Year. Asked whether the Liberty Bench might contribute to Guatemala's democracy by offering substantive opposition in Congress, Gereda said no -- Baldizon's maneuver was about power politics, not substance.
- 14. (U) Immediately following his defection from the UNE bench, Baldizon declared his candidacy for the March 2009 election of the UNE Party Secretary General. The move was widely seen as a direct challenge to Sandra de Colom, whom

Vice President Espada publicly mentioned as a possible candidate for the post. An UNE "Honor Tribunal" temporarily suspended Baldizon from the party and barred his candidacy for Secretary General. He left the country for the U.S., alleging that he feared for his personal safety.

- 15. (C) The departure of the "Liberty Bench" deputies brings the UNE's number of congressional seats down to 39 from its original 51. President Colom put on a brave face, saying the UNE bench was better off without the "troublemakers." In conversation with the Ambassador, FRG Deputy Zury Rios said Colom would have no trouble garnering the votes needed to QColom would have no trouble garnering the votes needed to pass legislation. The FRG and GANA would continue to firmly support the government, and the government might also sometimes enjoy the support of the smaller PAN, Unionist, and Guatemala benches.
- 16. (C) Comment: Having co-opted the FRG and GANA, and with strong prospects for support from several smaller parties, President Colom should be able to win important legislative votes in the coming months despite the Baldizon-led defection. Some legislation, however, requires a two-thirds vote. In such cases, the Liberty Bench may be able to exercise some influence. Intimidated by credible government threats to publicly implicate him in the congressional embezzlement scandal, opposition leader Otto Perez Molina of the Patriot Party has largely dropped out of sight (ref b). While Deputies Roxana Baldetti (PP) and Nineth Montenegro (EPG) occasionally oppose the government from Congress's floor, there is little real opposition left in Congress. In so far as anyone is playing an effective opposition role, it is the press and private sector.